

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 20436
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

On June 1, 2007, the staff of the Tax Discovery Bureau of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer) proposing income tax, penalty, and interest for the taxable years 2000, 2002, and 2005 in the total amount of \$4,613.

On August 3, 2007, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not respond to the Tax Commission's hearing rights letter and has provided nothing further for the Tax Commission to consider. The Tax Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) received information that showed the taxpayer may have had a filing requirement with the state of Idaho. The Bureau researched the Tax Commission records and found that the taxpayer had not filed Idaho individual income tax returns for the tax years 2000, 2002, 2004, and 2005. The Bureau sent the taxpayer a letter asking him about his requirement to file Idaho income tax returns. The taxpayer did not respond.

The Bureau obtained additional information [Redacted] and determined the taxpayer was required to file Idaho income tax returns. The Bureau prepared returns for the taxpayer for the years 2000, 2002, and 2005 and sent the taxpayer a Notice of Deficiency Determination.

The taxpayer disagreed with the Bureau's determination and sent a letter of protest. The taxpayer stated he needed additional time to gather his paperwork to figure out his tax

requirement. He stated the Bureau made an error in its determination. He believed the amount of tax owed was not correct considering the amount of income he received.

The Bureau allowed the taxpayer additional time to prepare and submit income tax returns, but no returns were received. The Bureau made a couple of attempts to contact the taxpayer, and the taxpayer contacted the Bureau once. However, the taxpayer never provided the needed Idaho income tax returns. Therefore, the Bureau referred the matter for administrative review.

The Tax Commission reviewed the matter and sent the taxpayer a letter that discussed the methods available for redetermining a protested Notice of Deficiency Determination. The taxpayer failed to respond. The Tax Commission sent a follow-up letter to the taxpayer but still received no response from him. Therefore, the Tax Commission decided the matter based upon the information available.

The Bureau received information from the Idaho Department of Labor that showed the taxpayer received wages for work performed in Idaho. The Bureau found that the taxpayer did not file Idaho individual income tax returns for the tax years 2000, 2002, 2004, and 2005. The Bureau received additional information [Redacted] and determined the taxpayer received income in excess of the filing threshold of Idaho Code section 63-3030. The Bureau prepared returns for the taxpayer based upon the income information [Redacted].

The taxpayer did not contest his requirement to file Idaho income tax returns. In his protest letter, the taxpayer stated he did not believe the Bureau's tax computations were accurate based upon what he knew his income to be. However, the taxpayer has not provided anything to show the amount of income he received during the years in question or what he believed was the correct tax.

In Idaho, a State Tax Commission deficiency determination is presumed to be correct and the burden is on the taxpayer to show that the deficiency is erroneous. Parsons v. Idaho State Tax Commission, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986). In this case, the taxpayer has failed to show that anything in the deficiency determination was in error. What's more, the Tax Commission finds no fault with the Bureau's computations. For the years 2002 and 2005, the Bureau used information taken directly from the returns the taxpayer filed [Redacted]. For the year 2000, the Bureau used a combination of the income amounts reported[Redacted]. The taxpayer may have additional withholdings that the Tax Commission is unaware of, but the burden is on the taxpayer to show that he is entitled to a particular deduction or credit. Higgins v. C.I.R., T.C. Memo. 1984-330 (1984). Since the taxpayer has failed to show the Bureau's computation of his tax liability is erroneous, the Tax Commission upholds the tax deficiency.

The Bureau also added interest and penalty to the taxpayer's tax deficiency. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046.

WHEREFORE, the Notice of Deficiency Determination dated June 1, 2007, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2000	\$ 953	\$ 238	\$ 424	\$1,615
2002	531	133	161	825
2005	1,679	420	219	<u>2,318</u>
			TOTAL DUE	<u>\$4,788</u>

Interest is computed to April 1, 2008.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayer's right to appeal this decision is enclosed with this decision.

DATED this _____ day of _____, 2008.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2008, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]

Receipt No.